

May 21, 1990

RECEIVED
MAY 23 1990
DIVISION OF
OIL, GAS & MINING

STATE OF UTAH
Division of Oil, Gas and Mining
355 West North Temple
#3 Triad Center - Suite 350
Salt Lake City, UT 84180-1203

Attn: Dainne R. Nielson



Re: Application for Permit to Drill
Bitter Creek Unit #1-25-14-25
Uintah County, UT

Dear Ms Nielson:

Please find the attached Application for Permit to Drill package for the subject well. The well is located 805' FSL & 922' FNL in Section 25-T14S-R25E due to topographical obstructions.

Please let us know if you require any additional information for approval of this permit.

Sincerely,

MITCHELL ENERGY CORPORATION

James C. Anderson

James C. Anderson
District Production Manager

JCA/jms
attch.

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

5. LEASE DESIGNATION AND SERIAL NO.

DU-65736

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

Bitter Creek Unit

FARM OR LEASE NAME

Bitter Creek Unit

WELL NO.

1-25-14-25

10. FIELD AND POOL, OR WILDCAT

Wildcat 001

11. SEC., T., R., M., OR S.E.C.
AND SURVEY OR AREA

Sec. 25-T14S-R25E, SLB&M

12. COUNTY OR PARISH

Uintah

13. STATE

UT.

22. APPROX. DATE WORK WILL START*

7/1/90

1a. TYPE OF WORK

DRILL ☒DEEPEN ☐PLUG BACK ☐

b. TYPE OF WELL

OIL
WELL ☐GAS
WELL ☒

OTHER

2. NAME OF OPERATOR

MITCHELL ENERGY CORPORATION

3. ADDRESS OF OPERATOR

555 17th Street - Suite 3500
Denver, CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.)

At surface

SWSW 922' FWL & 805' FSL (SWSW)

At proposed prod. zone

same

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

The location is approx. 42 miles south of Bonanza, UT

15. DISTANCE FROM PROPOSED*

LOCATION TO NEAREST

PROPERTY OR LEASE LINE, FT.

(Also to nearest drig. unit line, if any)

805'

16. NO. OF ACRES IN LEASE

1360

17. NO. OF ACRES ASSIGNED
TO THIS WELL

320

18. DISTANCE FROM PROPOSED LOCATION*
TO NEAREST WELL, DRILLING, COMPLETED,
OR APPLIED FOR, ON THIS LEASE, FT.

NA

19. PROPOSED DEPTH

8205' Entrada

20. ROTARY OR CABLE TOOLS

rotary

21. ELEVATIONS (Show whether DF, RT, GR, etc.)

8293' ungraded

23.

PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# K-55 ST&C	800'	Circ to surface
7-7/8"	4-1/2"	11.6# K-55 LT&C	8205'	300 sxs + additives

The operator proposes to drill to a depth sufficient to test the Entrada for gas. If productive, 4-1/2" casing will be run and set at 8205'. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs are outlined in Onshore Oil and Gas Order #1.

EXHIBITS ATTACHED:

Ten Point Compliance Program

Surface Use & Operating Plan

Exhibit #1 Blowout Preventer

Exhibit #2 Location & Elevation Plat

Exhibit #3A Planned Access Roads

Exhibit #3B Planned Pipeline ROW

Exhibit #4 Radius Map

Exhibit #5 Production Facilities

Exhibit #6 Drilling Rig Layout

and Cross Sections

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24.

SIGNED

James C. Anderson

TITLE District Production Manager

DATE 5/21/90

(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY THE STATE

OF UTAH DIVISION OF

OIL, GAS, AND MINING

APPROVED BY

TITLE

CONDITIONS OF APPROVAL, IF ANY:

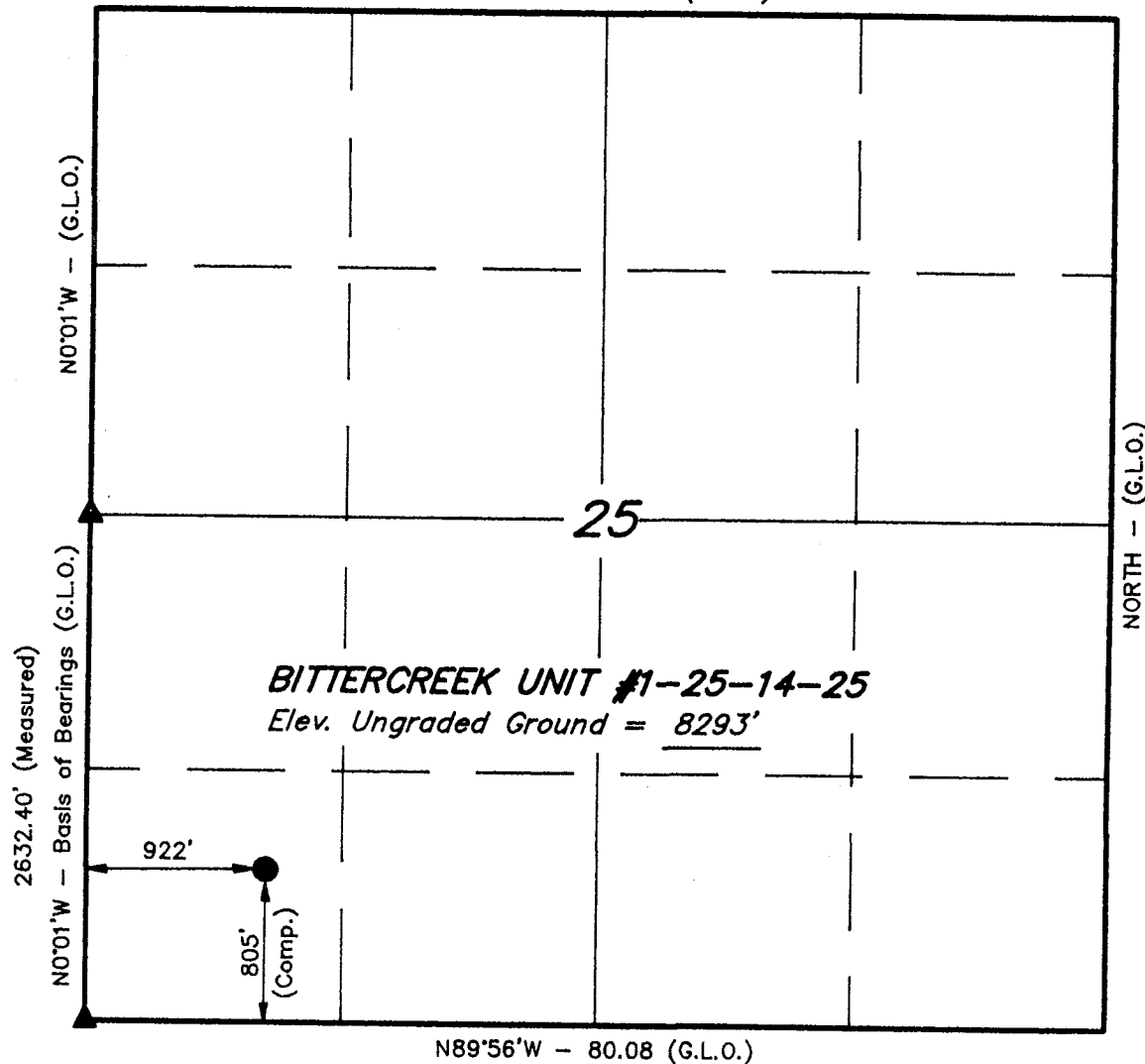
DATE 6-21-90

BY John R. Boyer

*See Instructions On Reverse Side WELL SPACING: 2615-2-3

T14S, R25E, S.L.B.&M.

S89°58'W - 79.98 (G.L.O.)



▲ = SECTION CORNERS LOCATED. (BRASS CAPS)

MITCHELL ENERGY CORP.

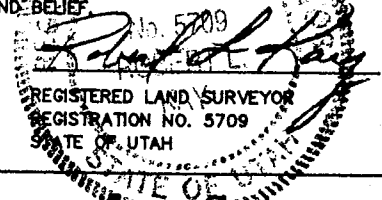
Well location, BITTERCREEK UNIT #1-25-14-25, located as shown in the SW 1/4 SW 1/4 of Section 25, T14S, R25E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION IN THE SW 1/4 OF SECTION 7, T6S, R104W, 6th P.M. TAKEN FROM THE RAT HOLE RIDGE QUADRANGLE, UTAH - COLORADO, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP). PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 8721 FEET.

**CERTIFICATE**

THIS IS TO CERTIFY THAT THE ABOVE PLAT WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH - 200 EAST VERNAL, UTAH
(801) 789-1017

SCALE 1" = 1000'	DATE 5-3-90
PARTY G.S. J.T.K. J.R.S.	REFERENCES G.L.O. PLAT
WEATHER COOL	FILE MITCHELL ENERGY CORP.

DRILLING PROGRAM

Attached to Form 9-331C
Mitchell Energy Corporation
Bitter Creek Unit #1-25-14-25
SWSW Sec. 25-T14S-R25E, SLB&M
922' FWL & 805' FSL
Uintah County, Utah

1. GEOLOGIC NAME OF SURFACE FORMATION:

The surface formation is Green River.

2. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS:

Green River	Surface	Niobrara	5710'
Mesaverde	1575'	Base Niobrara	6710'
Sego	3275'	Frontier	7010'
Buck Tongue	3450'	Dakota Silt	7260'
Castlegate	3580'	Dakota	7320'
Mancos	3810'	Morrison	7520'
Mancos "B"	4530'	Entrada	8055'
Mancos base "B"	5070'		

TOTAL DEPTH 8205'

3. ESTIMATED DEPTHS OF ANTICIPATED WATER, OIL, GAS OR MINERALS:

Castlegate	3580'	Possible water & Gas
Dakota	7320'	Gas
Entrada	7520'	Gas

No other formations are expected to give up oil, gas, or water in measurable quantities. If any shallow fresh water zones and/or coal zones are encountered, a D.V. tool will be inserted at 3850'± and cement will be circulated up, across and at least 50' above the zones of interest.

4. CASING PROGRAM:

Hole size	Interval	Section Length	Size (OD)	Weight, Grade And Joint	Condition
12-1/4"	0-800'	800'	8-5/8"	24# K-55 ST&C	New
7-7/8"	0-8205'	8205'	4-1/2"	11.6# K-55 LT&C	New

CEMENT PROGRAM:

Surface - Circulate to surface

Production - Approximately 300 sacks plus additives for producing interval. Shallow zone will be covered with cement using a DV tool placed below the Castlegate.

2. MINIMUM SPECIFICATIONS FOR PRESSURE CONTROL:

Refer to the descriptive layout of the blowout preventer and accompanying notes given in **Exhibit #1**.

The blowout preventer (BOP) will include two ram preventers (blind and 4-1/2" drill pipe) as shown in attached drawing "**Minimum Blowout Preventer Requirements - 3HWP**" and attached notes. The BOP's will be nipped up on the surface casing. The BOP's and accessory equipment will be hydraulically tested to 3000 PSI for thirty minutes prior to drilling out and after any use under pressure.

Pipe rams will be operationally checked each 24 hour period. Blind rams will be operationally checked each time the pipe is pulled out of the hole. These checks will be noted on the daily drilling reports. At least one kill line (2") will be installed below the BOP rams.

Accessories to the BOP equipment will include a kelly cock, drill string safety valve, drill string inside BOP and choke manifold with pressure rating equivalent to the BOP's.

All casing string will be pressure tested to 0.2 psi/ft or 1000 psi, whichever is the greater.

6. TYPES AND CHARACTERISTICS OF THE PROPOSED CIRCULATING FLUIDS:

The well will be drilled to total depth with a fresh water gel drilling mud. The properties of this fresh water gel system are:

<u>TYPE</u>	<u>MUD WEIGHT #/GAL.</u>	<u>VISCOSITY</u>	<u>WATER LOSS</u>
Low solids, non-dispersed	8.7-9.3	30-45	8-30 cc

Sufficient mud materials to maintain mud requirements and meet minimum lost circulation and blowout problems will be maintained at the wellsite.

7. AUXILIARY WELL CONTROL AND MONITORING EQUIPMENT:

- A. A kelly cock will be kept in the string.
- B. Bit floats will be used if lost circulation conditions do not exist.
- C. Visual monitoring of the drilling fluid system will be done. No special equipment will be needed to monitor the mud system.
- D. A full opening drill pipe stabbing valve with proper drill pipe fittings will be on the floor.

8. LOGGING, TESTING, AND CORING PROGRAM:

- A. Tests will be run on the basis of shows and on the recommendation of the geologist.
- B. The logging program will consist of Dual Induction-GR-SP, BHC-Sonic-GR, FDC-CNL-GR, Structural Dipmeter from surface casing to total depth. Stratagraphic Dipmeter, Mudlogger & Borehole Televiewer over zones of interest.
- C. One 60 foot core in the upper Dakota.
- D. Stimulation procedures will be determined after evaluation of logs and well testing. If a treatment is indicated after perforating, the zone will be brokdown and a sand and foamed water frac will be performed on the prospective formation. The stimulation procedure will consist of approximately 2,000 gallons of 7.5% hydrochloric acid followed by a frac treatment of 17,000 gallons of gelled water with 120,000 pounds of 20/40 sand in 70% quality CO₂ foam.

9. ABNORMAL CONDITIONS-PRESSURES-TEMPERATURES-POTENTIAL-HAZARDS:

No abnormal pressures or temperatures are anticipated. Estimated temperature at 8205' is 170°F. Estimated bottom hole pressure (BHP) is 2250 psig.

No hydrogen sulfide or other hazardous fluids or gases have been encountered, reported or known to exist at these depths in this area.

10. ANTICIPATED STARTING DATE AND DURATION OF OPERATIONS:

Road and location work will begin as soon as approval has been received from the Utah State Division of Oil, Gas & Mining. The anticipated spud date is July 1, 1990. Once commenced, the drilling operation should be finished within 25 days. If the well is productive, an additional 30 days will be required for completion.

NOTES REGARDING THE BLOW OUT PREVENTERS

1. Drilling nipple to be so constructed that it can be removed without use of a welder through rotary table opening, with minimum I.D. equal to preventer bore.
2. Wear ring to be properly installed in head.
3. Blow out preventer and all fittings must be in good condition 3000 psi W.P. minimum.
4. All fittings to be flanged.
5. Safety valves must be available on rig floor at all times with proper connections, valve to be full bore 3000 psi W.P. minimum.
6. All choke and fill lines to be securely anchored especially ends of choke lines.
7. Equipment through which bit must pass shall be at least as large as the diameter of the casing being drilled through.
8. Kelly cock or kelly.
9. Extension wrenches and hand wheels to be properly installed.
10. Blow out preventer control to be located as close to drillers position as feasible.
11. Blow out preventer closing equipment to include 80 gallon accumulator, two independent sources of pump power on each closing unit installation, and meet all API specifications.

BLowout PREVENTER REQUIREMENTS

3,000 psi Working Pressure

3 MWP

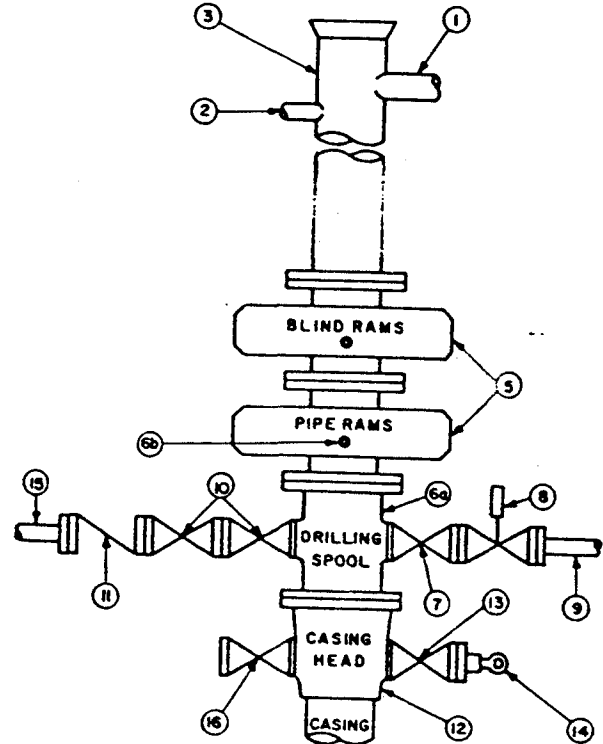
STACK REQUIREMENTS

No.	Item	Min. I.D.	Min. Nominal
1	Flowline		
2	Fill up line		2"
3	Drilling nipple		
5	Two single or one dual hydraulically operated rams		
6a	Drilling spool with 2" min. kill line and 3" min choke line outlets		
6b	2" min. kill line and 3" min. choke line outlets in ram. (Alternate to 6a above.)		
7	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	3-1/8"	
8	Gate valve—power operated	3-1/8"	
9	Line to choke manifold		3"
10	Valves Gate <input type="checkbox"/> Plug <input type="checkbox"/>	2-1/16"	
11	Check valve	2-1/16"	
12	Casing head		
13	Valve Gate <input type="checkbox"/> Plug <input type="checkbox"/>	1-13/16"	
14	Pressure gauge with needle valve		
15	Kill line to rig mud pump manifold		2"

OPTIONAL

16	Flanged valve	1-13/16"	
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CONFIGURATION A



F-11

SURFACE USE AND OPERATING PLAN

Attached to Form 9-331C
Mitchell Energy Corporation
Bitter Creek Unit #1-25-14-25
SWSW Sec. 25-T14S-R25E, SLB&M
922' FWL & 805' FSL
Uintah County, Utah

1. EXISTING ROADS:

- A. The proposed well site and elevation plats are attached, **Exhibit #2.**
- B. Beginning in Bonanza go 5 miles south and turn left on the Rainbow Junction Road. Go 3.6 miles south and turn right on Atchee Ridge Road and travel south for 27.9 miles to the Colorado State line. Continue on southeast for 2.7 miles to intersection of roads. Go south on Rathole Ridge for 2.4 miles and turn right, proceed west for 2.2 miles on existing jeep trail. At the end of the jeep trail turn south 0.2 miles to proposed location.
- C. All roads to the location are shown in **Exhibits #3A and 3B.** The existing roads described above and illustrated by a black line are adequate for travel during the drilling and production activities. Upgrading of the road prior to drilling will be done where necessary as determined during the onsite. The jeep trail will require upgrading. Construction will be consistent with new road, explained in Part 2.
- D. Not applicable.
- E. Existing roads, within a one-mile radius are shown on **Exhibit #4.**
- F. For existing roads, routine grading and upgrading of low water crossings where necessary will be conducted to maintain their condition.

2. PLANNED ACCESS ROADS/PIPELINE ROW

The map showing all the necessary access roads to be constructed is shown as **Exhibit #3A & 3B.** The route to be upgraded (0.2 miles) is shown in yellow and will be upgraded as follows:

- A. The width of the running surface of proposed access road will be 16'. The road will be crowned and ditched. Ditches will be at a 3:1 slope and 4 feet wide. BLM to specify any changes during onsite inspection. Water will be diverted, where possible to avoid ponding and maintain good drainage.
- B. The average grade will be 3% or less.
- C. No turnouts are planned.

- D. The drainage design will be consistent with local drainage patterns. Crown and ditching specified in #2A or as directed by the BLM during onsite inspection.
- E. No culverts or low water crossings are needed.
- F. Surfacing material will consist of native surface soil. If this is not sufficient, additional required materials will be purchased from the dirt contractor.
- G. No gates, cattle guards or fence cuts will be required.
- H. The proposed access road as shown in **Exhibit #3** has been centerlined flagged by Uintah Engineering & Land Surveying of Vernal, Utah.

3. LOCATION OF EXISTING WELLS:

For all existing wells within a one-mile radius of this development well, see **Exhibit #4**.

- A. There are no water wells within a one-mile radius.
- B. There is one abandoned well within a one-mile radius.
- C. There are no temporarily abandoned wells within a one-mile radius.
- D. There are no disposal wells within a one-mile radius.
- E. There are no wells presently being drilled within a one-mile radius.
- F. There are no producing wells within a one-mile radius.
- G. There are no shut-in wells within a one-mile radius.
- H. There are no injection wells within a one-mile radius.
- I. There are no monitoring or observation wells for other uses within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED FACILITIES:

- A. Owned or controlled by Lessee/Operator within 1 mile of Proposed Well:
 - (1) Tank Batteries: None
 - (2) Production Facilities: None
 - (3) Oil Gathering Lines: None.
 - (4) Gas Gathering Lines: None
 - (5) Injection Lines: None.
 - (6) Disposal Lines: None.

B. If the well is productive, contemplated facilities will be as follows:

(1) Production facilities will be located on solid ground of the cut area of drill pad. All facilities will be contained on the well pad.

(2) Refer to **Exhibit #5** for the production facility layout.

(3) The tank battery will be constructed using a bulldozer to level the site, backhoes to dig trenches and bury lines, and pole trucks, floats, and roustabout crews to maneuver and set facility equipment. All flowlines and piping will be installed according to API specifications. Construction material will consist of surface soil. No additional material from outside sources is anticipated.

C. Rehabilitation Plans:

The plan for rehabilitation of the disturbed area no longer needed for operations after drilling and construction is completed is as follows:

1. The reserve pit will be backfilled after the contents of the pit are dry.

2. The area of the drill site not needed for production facilities will be recontoured to the natural level as nearly as possible and revegetated/reseeded by the contour method per specifications of the Bureau of Land Management.

D. In the event that production is established, plans for permanent gas lines will be resubmitted to the appropriate agencies for approval.

5. LOCATION AND TYPE OF WATER SUPPLY:

A. The primary source of water will be Bitter Creek approximately 3 miles south of location

B. Water will be hauled by tank truck to the drilling site.

C. No water well will be drilled on this lease.

6. SOURCE OF CONSTRUCTION MATERIALS:

A. No construction materials are anticipated to be needed for drilling the well or constructing the access roads into the location. Native soil will be utilized for the drilling site and access roads. If the surface soil materials are not sufficient, the required materials (rock, gravel, etc.) will be purchased from the dirt contractor.

B. No construction materials will be taken from Federal lands.

C. Native surface soil materials for construction of access roads are sufficient.

- D. **Exhibit #3A, 3B and Exhibit #4** show access roads crossing Federal lands. No Indian Land is involved.

7. **METHODS OF HANDLING WASTE DISPOSAL:**

- A. Cuttings not retained for evaluation purposes will be exhausted into the reserve pit (see **Exhibit #6** for location).
- B. Drilling fluids will be contained in steel mud tanks. The reserve pit will contain any excess flow from the well during drilling, cementing, and completion operations. The reserve pit will be an earthen pit, approximately 300'x30'x8' and fenced on three sides prior to drilling. Fenced on the 4th side immediately following rig removal.
- C. Produced water will be disposed into a pit or a tank (depending on the rates). Produced oil will be collected in sealable tanks. The oil will be trucked from the location. Water will be disposed of in the reserve pit as per NTL-2B.
- D. A portable chemical toilet will be provided on the location for human waste.
- E. Garbage and trash produced during drilling or testing will be handled in the trash cage (see **Exhibit #6** for location). The garbage cage will be approximately 8'x8'x6' in size. This garbage will be hauled to the dump after drilling is completed. Water and tailings will be disposed into the reserve pit. Salts and other chemicals produced during drilling or testing will be disposed into the reserve pit. No toxic waste/chemicals will be produced by this proposed operation.
- F. After the rig moves out, all materials will be cleaned up and no adverse materials will be left on location. The reserve pit will be fenced during drilling and kept closed until the pit has dried. All pits will be filled and the well site will be leveled and reseeded, per Utah's specifications; this will occur when pits are dry enough to fill and as weather permits. Only that part of the pad required for producing facilities will be kept in use. In the event of a dryhole, only a dryhole marker will remain.

8. **ANCILLARY FACILITIES:**

No air strip, campsite or other facilities will be built during drilling and completion operations of this well.

9. **WELL SITE LAYOUT:**

- A. Refer to **Exhibit #6** for the Drill Pad layout as staked, with elevations by Uintah Engineering & Land Surveying of Vernal, Utah. Cuts and fills have been indicated to show the planned cut across the proposed location. Topsoil will be stockpiled for later use in reclamation.

- B. Refer to **Exhibit #6** for a planned location diagram of the proposed rig and drilling equipment, reserve pit, trash cage, and pipe racks. No permanent living facilities are planned. There will be a trailer on site.
- C. The rig orientation, turn-around area, parking area, and access roads are shown in **Exhibit #6**.
- D. The reserve pit will not be lined.

10. PLANS FOR RESTORATION OF SURFACE:

- A. Upon completion of the proposed operations, and if the well is to be abandoned, the location will be backfilled, leveled, and contoured to as nearly the original topography as is feasible as soon as the pits have dried enough to handle earth moving equipment. The location will be reseeded per Utah Division of Oil, Gas & Mining recommendations. All spoils materials will be hauled to the dump upon completion of the drilling operation.
- B. Revegetation and rehabilitation will be achieved by re-seeding utilizing the contour method with a seed mixture of native grasses and shrubs recommended by the Utah State Division of Oil, Gas & Mining.
- C. Three sides of the reserve pit will be fenced prior to drilling operations. Prior to rig release, the reserve pit will be fenced on the fourth side to prevent livestock or wildlife from being entrapped. The fencing will be maintained until leveling and the clean-up accomplished.
- D. If any oil is on the pits and cannot be immediately removed after operations cease, the pit containing the oil or other adverse substances will be overhead flagged and fenced. The entire location will be policed for trash and other refuse, and additional clean-up will be done as deemed necessary.
- E. Time to complete rehabilitation depends upon the time for pits to dry. Planting and revegetation should occur by Fall 1991, unless otherwise requested.

11. OTHER INFORMATION:

- A. The vegetation is pine forests with parks of abundant sage and grasses.
- B. Geographically, the project area is 42 miles south of Bonanza, Utah.
- C. There is not substantial live water in the immediate area. Bitter Creek is located approximately 3 miles south of the the well.
- D. There are no reported restrictions or reservations noted on the oil and gas lease.

E. Drilling is planned for July 1, 1990. It is anticipated that the casing point will be reached within 25 days after commencement of drilling.

12. LESSEE'S AND OPERATOR'S REPRESENTATIVE:

Mitchell Energy Corporation
555 17th Street
Suite 3500
Denver, CO 80202

(303) 292-4455

Mr. James C. Anderson

Ms. Joanie Seay

13. CERTIFICATION

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drillsite and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by Mitchell Energy Corporation and its contractors and subcontractors in conformity with this plan and the terms and conditions which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for this filing of a false statement.

Date: 5/21/90


Mr. James C. Anderson
District Production Manager

BONANZA

5.0 MI. ±

3.6 MI. ±

7.6 MI. ±

10.8 MI. ±

17.0 MI. ±

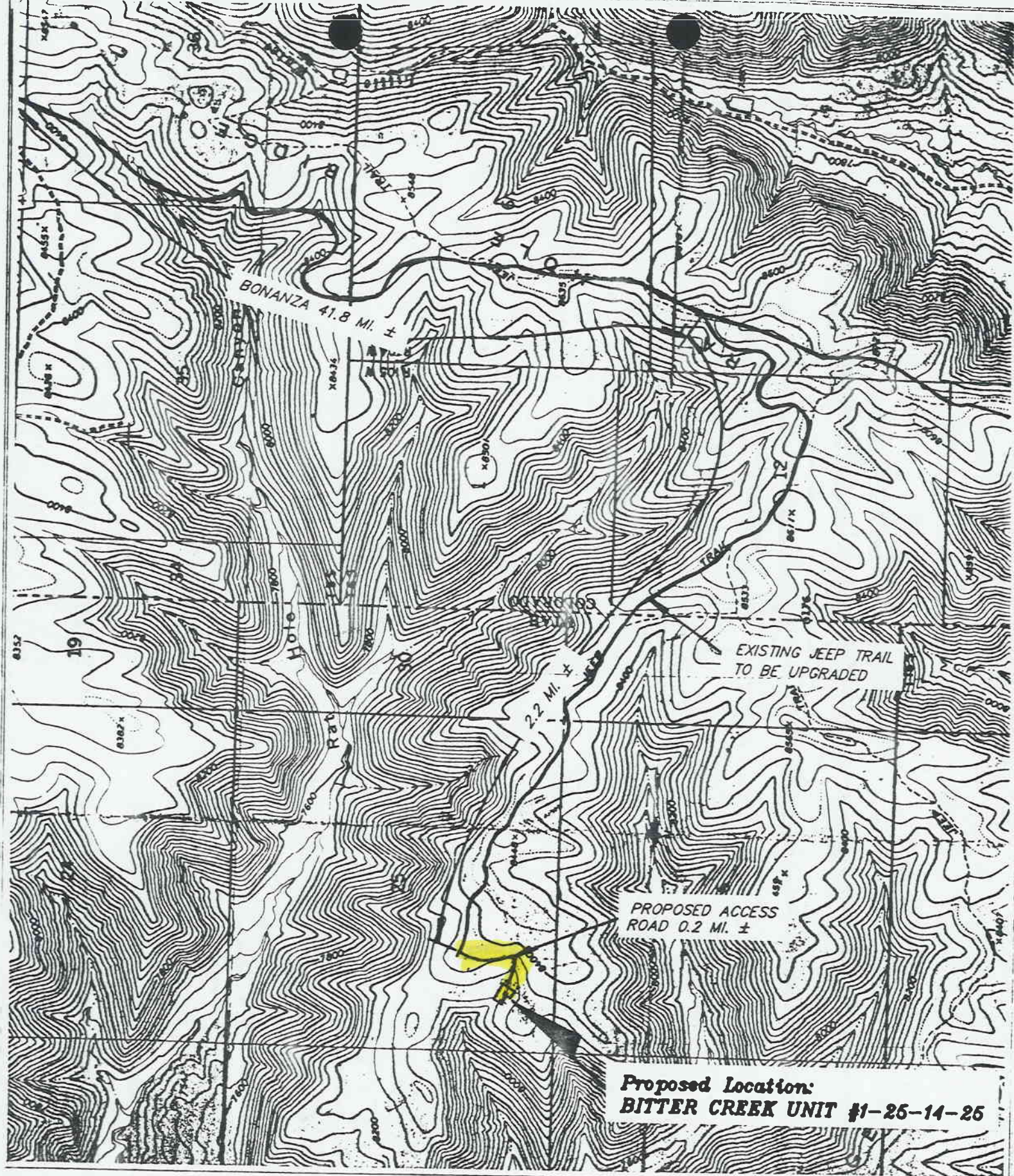
Proposed Location:
BITTER CREEK UNIT #1-25-14-25

TOPOGRAPHIC
MAP "3A"



MITCHELL ENERGY CORP.
BITTER CREEK UNIT #1-25-14-25
SECTION 25, T14S, R25E, S.L.B.&M.

DATE: 5-4-90



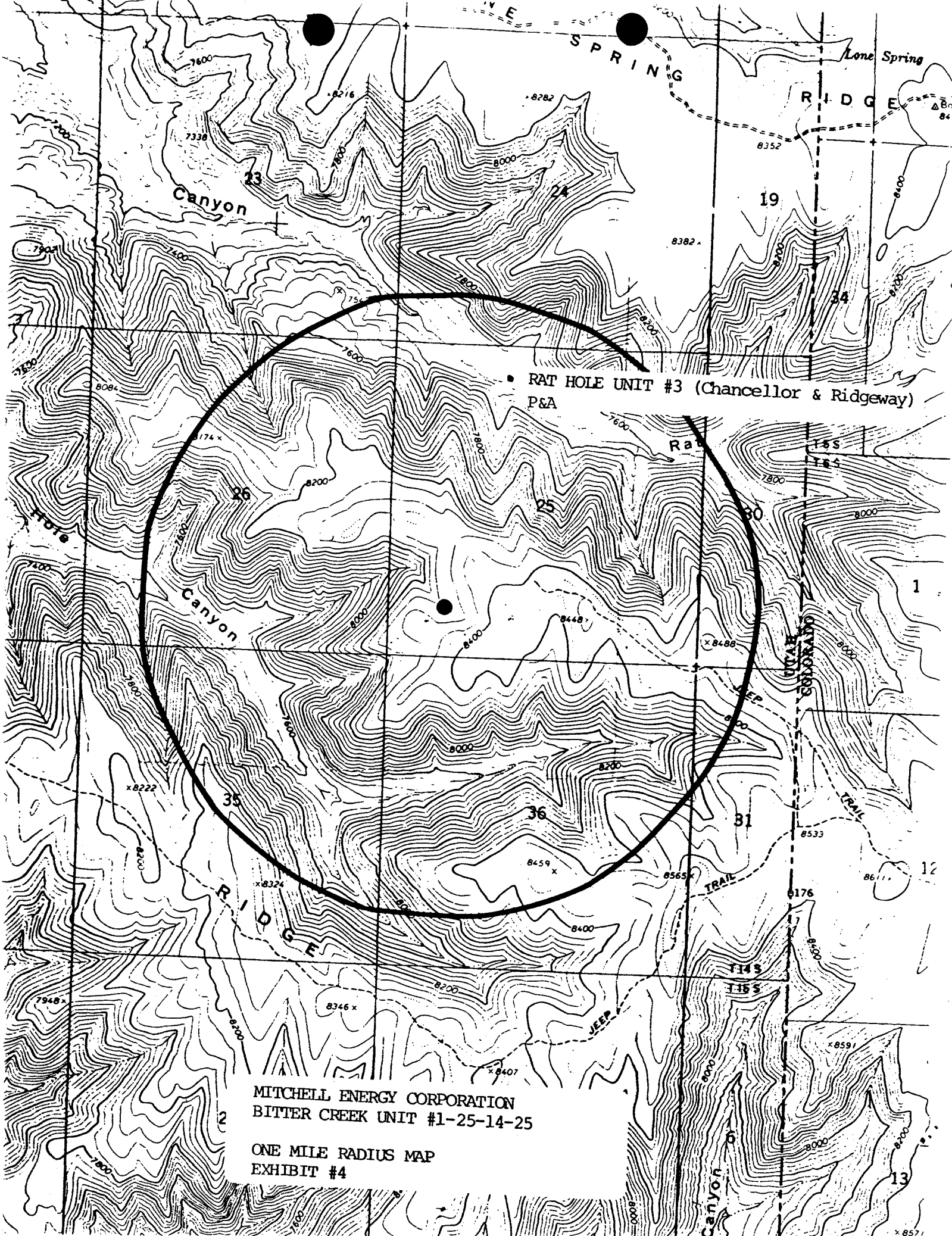
TOPOGRAPHIC
MAP "3B"

SCALE: 1" = 2000'



MITCHELL ENERGY CORP.
BITTER CREEK UNIT #1-25-14-25
SECTION 25, T14S, R25E, S.L.B.&M.

DATE: 5-4-90

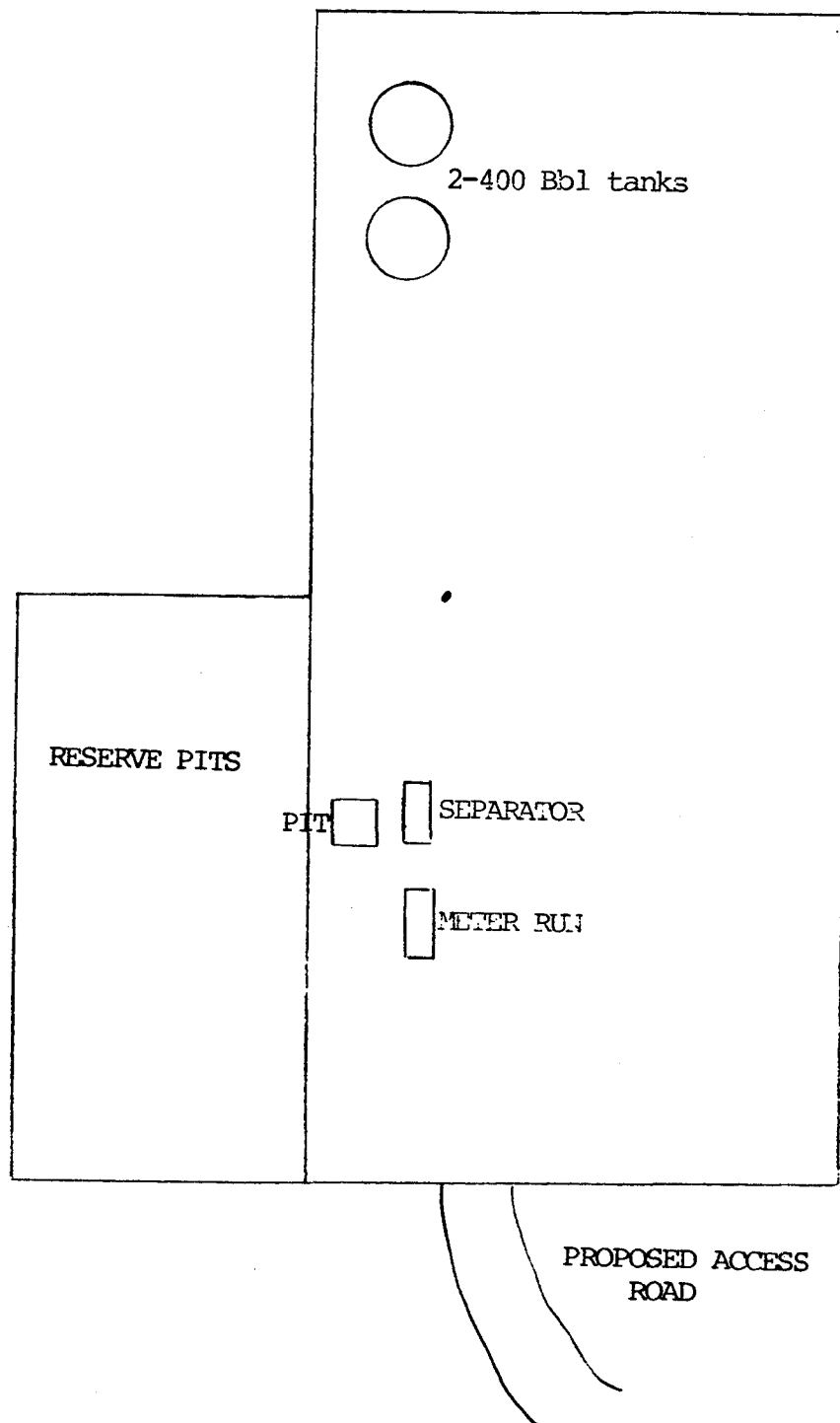


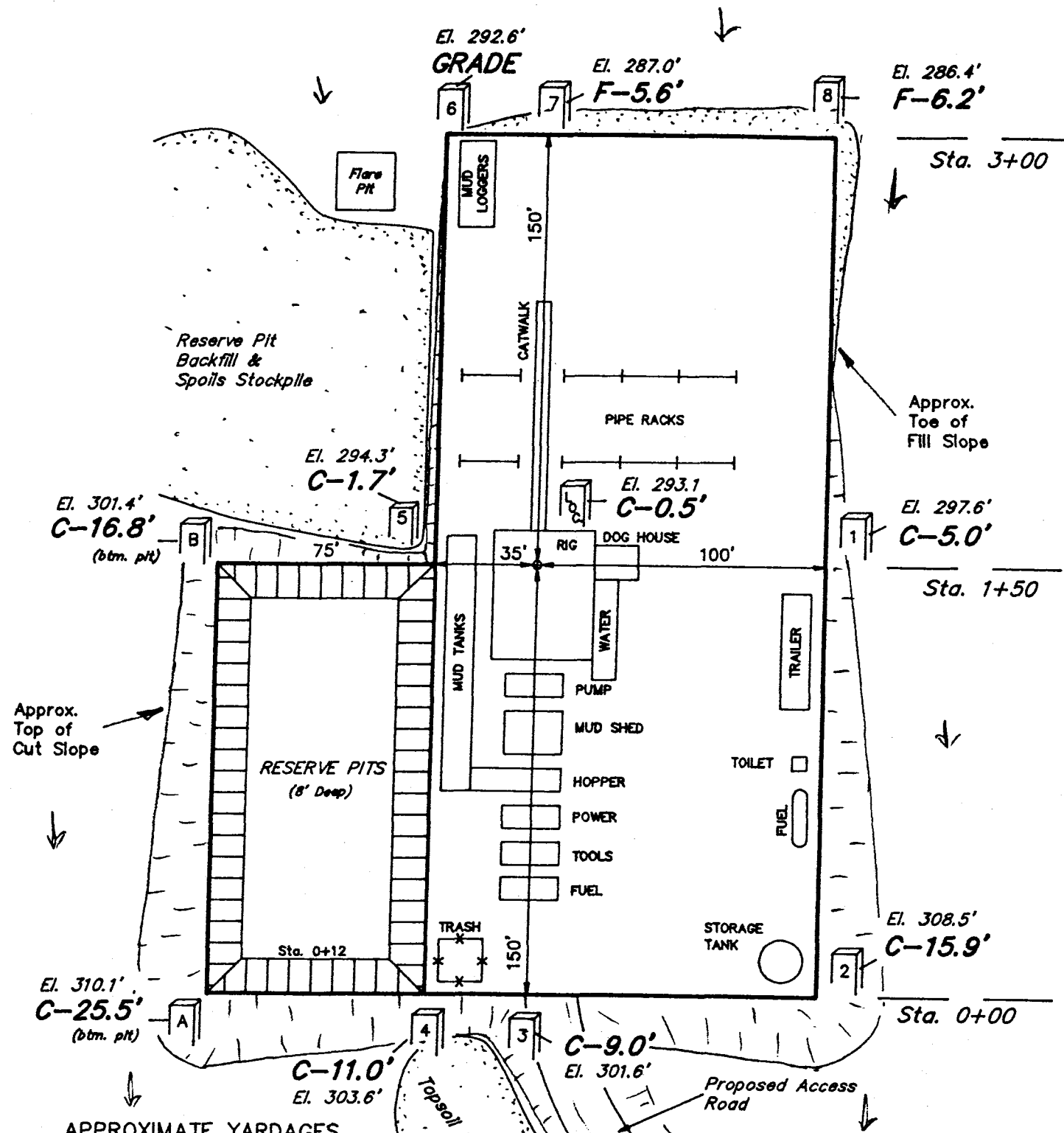
MITCHELL ENERGY CORPORATION
BITTER CREEK UNIT #1-25-14-25

ONE MILE RADIUS MAP
EXHIBIT #4

MITCHELL ENERGY CORPORATION
BITTER CREEK UNIT #1-25-14-25

EXHIBIT #5
PRODUCTION LAYOUT

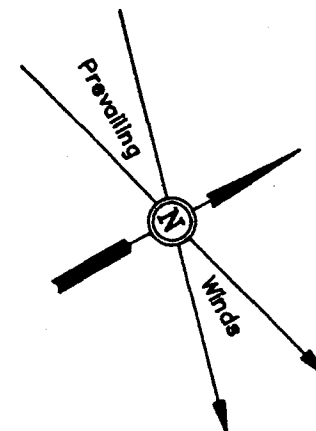




APPROXIMATE YARDAGES

CUT	
(6") Topsoil Stripping	= 960 Cu. Yds.
Pit Volume (Below Grade)	= 2,576 Cu. Yds.
Remaining Location	= 11,918 Cu. Yds.
TOTAL CUT	= 15,454 CU.YDS.
FILL	= 2,296 CU.YDS.

EXCESS MATERIAL AFTER 5% COMPACTION	= 13,037 Cu. Yds.
Topsoil & Pit Backfill (1/2 Pit Vol.)	= 2,248 Cu. Yds.
EXCESS UNBALANCE (After Rehabilitation)	= 10,789 Cu. Yds.

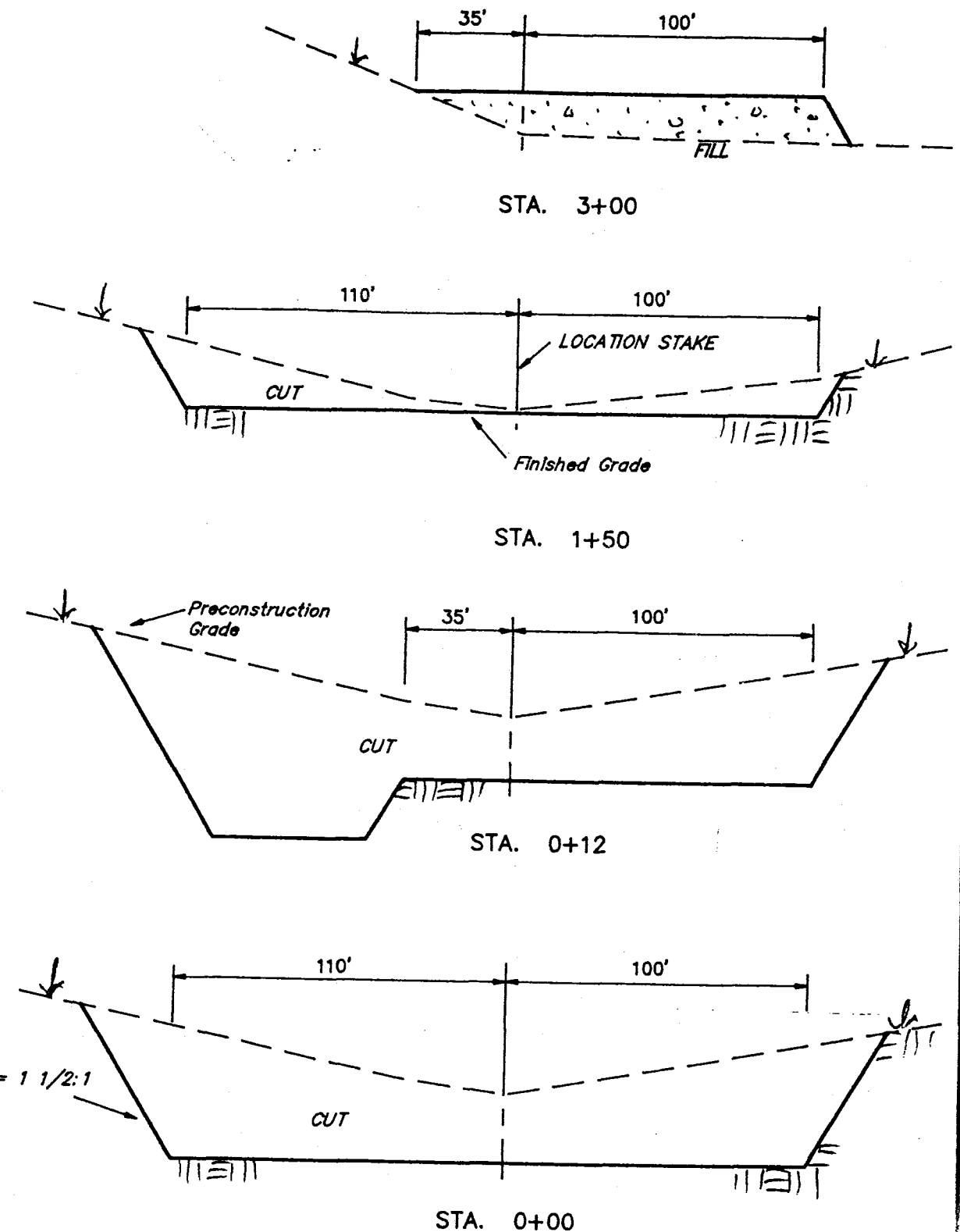


SCALE: 1" = 50'
DATE: 5-4-90
Drawn By: J.R.S.

X-Section Scale
1" = 20'
1" = 50'

TYP. LOCATION LAYOUT
TYP. CROSS SECTIONS

MITCHELL ENERGY CORP.
LOCATION LAYOUT FOR
BITTERCREEK UNIT #1-25-14-25
SECTION 25, T14S, R25E, S.L.B.&M.



NOTES:

Elev. Ungraded Ground At Loc. Stake = 8293.1'
FINISHED GRADE ELEV. AT LOC. STAKE = 8292.6'

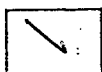
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East
Vernal, Utah

OPERATOR Mitchell Energy Corp N7580 DATE 5-03-90
WELL NAME Bitter Creek 1-05-14-05
SEC S45W 05 T 14S R 025 E COUNTY Montah

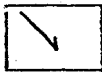
43-047-31894
API NUMBER

Individual (DTU 65736)
TYPE OF LEASE

CHECK OFF:



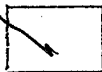
PLAT



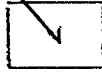
BOND



NEAREST
WELL



LEASE



FIELD
(SLM)



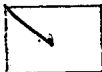
POTASH OR
OIL SHALE

PROCESSING COMMENTS:

spacing OK indiv unit agreement
Needs water permit
Unit not approved as of 6-1-90 - Unit approved 6-10-90

APPROVAL LETTER:

SPACING:



R615-2-3

Bitter Creek
UNIT



R615-3-2



N/A

CAUSE NO. & DATE



R615-3-3

STIPULATIONS:

1-water permit



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Norman H. Bangerter
Governor

Dee C. Hansen
Executive Director

Dianne R. Nielson, Ph.D.
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340

June 21, 1990

Mitchell Energy Corporation
555 17th Street, Suite 3500
Denver, Colorado 80202

Gentlemen:

Re: Bitter Creek 1-25-14-25 - SW SW Sec. 25, T. 14S, R. 25E - Uintah County, Utah
805' FSL, 922' FWL

Approval to drill the referenced well is hereby granted in accordance with Section 40-6-18, Utah Code Annotated, as amended 1983; and predicated on Rule R615-2-3, Oil and Gas Conservation General Rules, subject to the following stipulation:

1. Prior to commencement of drilling, receipt by the Division of evidence providing assurance of an adequate and approved supply of water as required by Chapter 3, Title 73, Utah Code Annotated.

In addition, the following actions are necessary to fully comply with this approval:

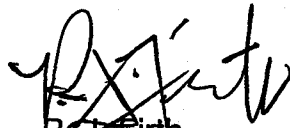
1. Spudding notification within 24 hours after drilling operations commence.
2. Submittal of an Entity Action Form within five working days following spudding and whenever a change in operations or interests necessitates an entity status change.
3. Submittal of the Report of Water Encountered During Drilling, Form 7.
4. Prompt notification if it is necessary to plug and abandon the well. Notify John R. Baza, Petroleum Engineer, (Office) (801) 538-5340, (Home) 298-7695, or Jim Thompson, Lead Inspector, (Home) 298-9318.
5. Compliance with the requirements of Rule R615-3-20, Gas Flaring or Venting, Oil and Gas Conservation General Rules.

Page 2
Mitchell Energy Corporation
Bitter Creek 1-25-14-25
June 21, 1990

6. Prior to commencement of the proposed drilling operations, plans for facilities for disposal of sanitary wastes at the drill site shall be submitted to the local health department. These drilling operations and any subsequent well operations must be conducted in accordance with applicable state and local health department regulations. A list of local health departments and copies of applicable regulations are available from the Division of Environmental Health, Bureau of General Sanitation, telephone (801) 538-6121.
7. This approval shall expire one (1) year after date of issuance unless substantial and continuous operation is underway or an application for an extension is made prior to the approval expiration date.

The API number assigned to this well is 43-047-31894.

Sincerely,



R. J. Firth
Associate Director, Oil & Gas

tas
Enclosures
cc: Bureau of Land Management
J. L. Thompson
WE14/1-6

UNITED STATES
DEPARTMENT OF THE INTERIOR
GEOLOGICAL SURVEY

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK DRILL <input checked="" type="checkbox"/> DEEPEN <input type="checkbox"/> PLUG BACK <input type="checkbox"/>		5. LEASE DESIGNATION AND SERIAL NO. UTU-65736		
b. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>		6. IF INDIAN, ALLOTTEE OR TRIBE NAME NA		
2. NAME OF OPERATOR MITCHELL ENERGY CORPORATION		7. UNIT AGREEMENT NAME Bitter Creek Unit		
3. ADDRESS OF OPERATOR 555 17th Street - Suite 3500 Denver, CO 80202		8. FARM OR LEASE NAME Bitter Creek Unit		
4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements.) At surface 922' FWL & 805' FSL (SWSW)		9. WELL NO. 1-25-14-25		
At proposed prod. zone same 43-047-31894		10. FIELD AND POOL, OR WILDCAT Wildcat		
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE* The location is approx. 42 miles south of Bonanza, UT		11. SEC. T., R., M., OR BLK. AND SURVEY OR AREA Sec. 25-T14S-R25E, SLB&M		
15. DISTANCE FROM PROPOSED LOCATION TO NEAREST PROPERTY OR LEASE LINE, FT. (Also to nearest drig. unit line, if any) 805'		12. COUNTY OR PARISH 13. STATE Uintah UT		
16. NO. OF ACRES IN LEASE 1360		17. NO. OF ACRES ASSIGNED TO THIS WELL 320		
18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING, COMPLETED, OR APPLIED FOR, ON THIS LEASE, FT. NA		20. ROTARY OR CABLE TOOLS rotary		
19. PROPOSED DEPTH 8205'		22. APPROX. DATE WORK WILL START* 7/1/90		
21. ELEVATIONS (Show whether DF, RT, GR, etc.) 8293' ungraded				
23. PROPOSED CASING AND CEMENTING PROGRAM				
SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12-1/4"	8-5/8"	24# K-55 ST&C	800'	Circ to surface
7-7/8"	4-1/2"	11.6# K-55 LT&C	8205'	300 sxs + additives

The operator proposes to drill to a depth sufficient to test the Entrada for gas. If productive, 4-1/2" casing will be run and set at 8205'. If non-productive, the well will be plugged and abandoned in a manner consistent with Federal Regulations. Specific programs are outlined in Onshore Oil and Gas Order #1.

EXHIBITS ATTACHED:

Ten Point Compliance Program
Surface Use & Operating Plan

Exhibit #1 Blowout Preventer

Exhibit #2 Location & Elevation Plat

Exhibit #3A Planned Access Roads

Exhibit #3B Planned Pipeline ROW

Exhibit #4 Radius Map

Exhibit #5 Production Facilities

Exhibit #6 Drilling Rig Layout
and Cross Sections

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposal is to deepen or plug back, give data on present productive zone and proposed new productive zone. If proposal is to drill or deepen directionally, give pertinent data on subsurface locations and measured and true vertical depths. Give blowout preventer program, if any.

24. SIGNED James C. Anderson TITLE District Production Manager DATE 5/21/90
(This space for Federal or State office use)

PERMIT NO.

APPROVAL DATE

APPROVED BY

TITLE

ASSISTANT DISTRICT
MANAGER MINERALS

DATE

JUL 23 1990

CONDITIONS OF APPROVAL, IF ANY:

UT080-OM36

NOTICE OF APPROVAL
*See Instructions On Reverse SideCONDITIONS OF APPROVAL ATTACHED
TO OPERATOR'S COPY

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Company MITCHELL ENERGY CORPORATION Well No. 1-25-14-25
Location SW/SW Sec. 25, T14S, R25E Lease No. U-65736

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas Orders, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands to Tim Ingwell of this office. Copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The Vernal District Office shall be notified, with sufficient lead time, in order to have a BLM representative on location during pressure testing.

3. Casing Program and Auxiliary Equipment

Useable water may be encountered from +400-750 f. and +1000-1343 ft. in the Green River formation. Saline water may be encountered below +1343 ft. If saline and usable water are encountered, the usable water will be isolated and/or protected from the saline water via the cementing program for the production casing.

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint.

The District Office shall be notified, with sufficient lead time, in order to have a BLM representative on location while running all casing strings and cementing.

4. Mud Program and Circulating Medium

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the Authorized Officer. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vaporproof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the Authorized Officer.

A cement bond log (CBL) shall be utilized to determine the top of cement (TOC) for the intermediate and production casing.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the Authorized Officer (AO).

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations.

The spud date will be reported orally to the AO within forty-eight (48) hours after spudding. If the spudding occurs on a weekend or holiday, the report will be submitted on the following regular work day. The oral report will be followed up with a Sundry Notice.

Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Pursuant to NTL-2B, with the approval of a District Engineer, produced water may be temporarily disposed of into unlined pits for a period of up to 90 days. During the period so authorized, an application for approval of the permanent disposal method, along with the required water analysis and other information, must be submitted to the District Engineer.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-2, 3162.7-3, and 3162.7-4 shall be submitted to the appropriate District Office within thirty (30) days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-4.

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form

3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

Pursuant to Onshore Oil and Gas Orders, lessees and operators have the responsibility to see that their exploration, development, production, and construction operations are conducted in a manner which conforms with applicable Federal laws and regulations and with State and local laws and regulations to the extent that such State and local laws are applicable to operations on Federal or Indian lands.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All site security guidelines identified in Onshore Oil and Gas Order No. 3 regulations will be adhered to.

All off-lease storage, off-lease measurement, or commingling onlease or off-lease will have prior written approval from the AO.

Gas meter runs for each well will be located within 500 feet of the wellhead. The gas flowline will be buried or anchored down from the wellhead to the meter and 500 feet downstream of the meter run or any production facilities. Meter runs will be housed and/or fenced.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, please contact one of the following individuals:

Gerald E. Kenczka
Petroleum Engineer

(801) 781-1190

Ed Forsman
Petroleum Engineer

(801) 789-7077

CONDITIONS OF APPROVAL
FOR THE SURFACE USE PROGRAM OF THE
APPLICATION FOR PERMIT TO DRILL

Company/Operator: MITCHELL ENERGY CORPORATION

Well Name & Number: 1-25-14-25

Lease Number: U-65736

Location: SW/SE Sec. 25 T. 14S R. 25E

Surface Ownership: Public lands administered by the BLM.
Part of the access is across private lands in E/SE Sec. 25.

THIRTEEN POINT SURFACE USE PROGRAM:

Multipoint Requirements to Accompany APD

1. Planned Access Roads - All travel will be confined to existing access road rights-of-way.

Access roads and surface disturbing activities will conform to standards outlined in the BLM-Forest Service Joint Publication (Third Edition 1989) Surface Operating Standards for Oil and Gas Development.

The road shall be upgraded to meet the standards of the anticipated traffic flow and all-weather road requirements. Upgrading shall include ditching, draining, graveling, crowning, and capping the roadbed as necessary to provide a well constructed, safe road. Prior to upgrading, the road shall be cleared of any snow cover and allowed to dry completely. Traveling off the 30-foot right-of-way will not be allowed. Road drainage crossings shall be of the typical dry creek drainage crossing type. Crossings shall be designed so they will not cause siltation or accumulation of debris in the drainage crossing nor shall the drainages be clogged by the road bed. Erosion of drainage ditches by runoff water shall be prevented by diverting water off at frequent intervals by means of cutouts. Upgrading shall not be allowed during muddy conditions. Should mud holes develop, they shall be filled in and detours around them avoided.

The proposed access road shall utilize the upgraded two-track trail approximately 2.2 miles, as agreed upon during the onsite inspection. Remainder of planned access road will follow flagged route for 1200 feet.

2. Location of Existing and/or Proposed Facilities

Any storage facility/battery constructed on this lease must be surrounded by a containment structure. The containment structure must have sufficient volume to contain, at a minimum, the entire content of the largest tank with the storage facility/battery.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within six months of installation. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

3. Methods for Handling Waste Disposal.

Burning will not be allowed. All trash must be contained in a trash cage and hauled away to an approved disposal site at the completion of the drilling activities.

On BLM administered lands: The reserve pit shall not be lined unless the operator requests it to be lined to conserve water. There are limited sources of water within the proximity.

Produced waste water will be confined to a (lined/unlined) pit or, if deemed necessary, a storage tank for a period not to exceed ninety (90) days after first production. During the 90-day period, an application for approval of a permanent disposal method and location, along with required water analysis, will be submitted for the AO's approval. Failure to file an application within the time allowed will be considered an incident of noncompliance.

Production facilities: More than one pit for produced water on production facilities must be justified.

4. Well Site Layout.

All pits will be fenced with a wire mesh fence and topped with at least one strand of barbed wire. The reserve pit fencing will be on three sides during drilling operations and on the fourth side when the rig moves off the location. Any hydrocarbons on the pit will be removed from the pit as soon as possible after drilling operations are completed. Pits will be fenced and maintained until cleanup.

The fence will be constructed as prescribed in the BLM-Forest Service Joint Publication (Third Edition 1989) Surface Operating Standards for Oil and Gas Development. Alternatives to the prescribed standards shall be submitted to the Authorized Officer (AO) for approval.

Well Site Layout: The reserve pit will be located on the west side of the location.

The stockpiled topsoil will be stored on the east side of the pad near stakes 1 and 2 in addition to those areas indicated in the ADP (Exhibit No. 6).

Access to the well pad will be from the south side of the location. It will involve 1200 feet of new road and upgrading 2.2 miles of existing jeep trails.

5. Plans for Restoration of Surface.

Immediately upon well completion, the location and surrounding area will be cleared of all debris, materials, trash, and junk not required for production.

Before any dirt work to restore the location takes place, the reserve pit must be completely dry and all cans, barrels, pipe, etc., will be removed. The reserve pit and that portion of the location and access road not needed for production facilities/operations will be reclaimed. The reserve pit will be reclaimed within one (1) year from the date of well completion.

All disturbed areas will be recontoured to the approximate natural contours.

The stockpiled topsoil will be evenly distributed over the disturbed areas.

Prior to reseeding, all disturbed areas, including the access roads, will be scarified and left with a rough surface.

Seed will be broadcast or drilled at a time specified by the BLM. If broadcast, a harrow or some other implement will be dragged over the seeded area to assure seed coverage and the seed mixture will be proportionately larger (double the pounds per acre).

An appropriate seed mixture will be determined by the BLM, either as part of the Conditions of Approval of the APD or at the time restoration activities are scheduled to begin.

All seeding will be done from September 15 until the ground freezes.

At such time as the well is plugged and abandoned, operator shall submit a surface reclamation plan to the Surface Management Agency for prescribed seed mixtures and reseeding requirements.

If the seeding is unsuccessful, the lessee/operator may be required to make subsequent seedings.

6. Other Additional Information.

Cultural Resource Protection Procedures

The operator is responsible for informing all persons in the area who are associated with this project that they will be subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator is to immediately stop work that might further disturb such materials, and contact the authorized officer (AO). Within five (5) working days, the AO will inform the operator as to:

- whether the materials appear eligible for the National Register of Historic Places;
- the mitigation measures the operator will likely have to undertake before the site can be used (assuming situ preservation is not necessary); and
- a time frame for the AO to complete an expedited review under 36 CFR 800.11 to conform, through the State Historic Preservation Officer, that the findings of the AO are correct and that mitigation is appropriate.

If the operator wishes at any time to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the AO will assume responsibility for whatever recordation and stabilization of the exposed materials may be required. Otherwise, the operator will be responsible for mitigation costs. The AO will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the AO that the required mitigation has been completed, the operator will then be allowed to resume construction.

The operator will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds may be obtained from the BLM, BIA, FS, or the appropriate County Extension Office.

On BLM administered land, it is required that a Pesticide Use Proposal shall be submitted and given approval prior to the application of herbicides or other pesticides or possible hazardous chemicals.

Additional Surface Stipulations: The operator or his/her contractor shall contact the BLM Offices at (801) 789-1362 between twenty-four (24) and forty-eight (48) hours prior to construction activities. Contact the Book Cliffs Resource Area.

The BLM Office shall be notified upon site completion prior to moving on the drilling rig.

In order to protect crucial elk calving and deer fawning habitat, exploration, drilling, and development activities will not be allowed during the period from May 15 through June 29. This limitation does not apply to maintenance and operation of producing wells. This stipulation may be waived by the Authorized Officer if either the resource values change or the lessee/operator demonstrates that adverse impacts can be mitigated.

Drilling rigs and/or equipment used during drilling operations on this wellsite will not be stacked or stored on Federal lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities. (The BLM does not seek to compete with private industry. There are commercial facilities available for stacking and storing drilling rigs.)

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the action of his/her sub-contractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The dirt contractor will be provided with an approved copy of the Surface Use Plan from the APD.

This drilling permit will be valid for a period of one (1) year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

DIVISION OF OIL, GAS AND MINING

API NO. 43-047-31894

SPODDING INFORMATION

NAME OF COMPANY: MITCHELL ENERGY CORPORATION

WELL NAME: BITTERCREEK 1-25-14-25

SECTION SWSW 25 TOWNSHIP 14S RANGE 25E COUNTY UINTAH

DRILLING CONTRACTOR SSP

RIG # 53

SPODDED: DATE 10-1-90

TIME 3:00 p.m.

HOW Rotary

DRILLING WILL COMMENCE _____

REPORTED BY RICHARD MILLER

TELEPHONE # 789-4200

OIL AND GAS	
OPN	RJF
JB	GLH
POS	SLS
1-TAS	
2-TAS	
10-TLT	
3-MICROFILM	
4-FILE	

DATE 10-3-90 SIGNED TAS TAKEN BY: DEE

OPERATOR Mitchell Energy Corp
ADDRESS 555 17th St, Ste 3500
Denver Colorado 80202

OPERATOR ACCT. NO. N7580

ACTION CODE	CURRENT ENTITY NO.	NEW ENTITY NO.	API NUMBER	WELL NAME	WELL LOCATION					SPUD DATE	EFFECTIVE DATE
					QQ	SC	TP	RG	COUNTY		
A	99999	11121	43-047-31894 ^{DRU}	Bitter Creek Unit 1-25-14-25	SW/sw	25	14S	25E	Uintah	10-1-90	
WELL 1 COMMENTS: New well Federal-Lease Proposed Zone-? Field-wildcat (Entity 11121 added 10-19-90) per Unit-N/A											
WELL 2 COMMENTS:											
WELL 3 COMMENTS:											
WELL 4 COMMENTS:											
WELL 5 COMMENTS:											

RECEIVED
OCT 15 1990

ACTION CODES (See instructions on back of form)

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (explain in comments section)

DIVISION OF
OIL, GAS & MINING

NOTE: Use COMMENT section to explain why each Action Code was selected.

(3/89)

George W. Tiller
Signature
Dist Dir/g Mgr 10-10-90
Title Date
Phone No. (915) 682-5396

REPORT OF WATER ENCOUNTERED DURING DRILLING - FORM 7

RECEIVED
NOV 13 1990
DIVISION OF OIL, GAS & MINING

1. Well name and number: Bitter Creek
API number: 43-047-31894
2. Well location: QQ SW/4 SW section 25 township 14S range 25E county Uintah
3. Well operator: Mitchell Energy Corp
Address: 555 17th St, Ste 3500 phone: (303) 292-4455
Denver Co 80202
4. Drilling contractor: SST Energy
Address: 999 18th St, Ste 1690 phone: (800) 962-7160
Denver, Co. 80202

5. Water encountered (continue on reverse side if necessary)

Depth		Volume (flow rate or head)	Quality (fresh or salty)
from	to		
		<u>None</u>	

6. Formation tops: Upper Sego 3180 Mancos 3960 Base Niobrara 6875
Anchor 3380 Mancos B 4685 Frontier 7150
Buck 3590 Base Mancos 5220 Dakota SS 7452
Castle Gate 3720 Niobrara 5840 Morrison 7030

If an analysis has been made of the water encountered, please attach a copy of the report to this form.

I certify that this report is true and complete to the best of my knowledge.

Name George W. Tullis Signature G. W. Tullis
Title Dist Drlg Mgr Date 11-2-90

Comments:

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

INDIVIDUAL WELL RECORD

	25		
0			

Sec. 25
T. 14S
R. 25E
SLB Mer.

Date July 23, 1990

Ref. No. _____

FEDERAL

Lease No. U-65736
Lessee Mitchell Energy 100%
Operator Mitchell Energy
Well Name & No. 1-25
A.P.I. Well No. 43-047-31894
Location 922' FWL, 805' FSL

State Utah
County Uintah
Field Bitter Creek
Unit/CA Bitter Creek
District Vernal
Subdivision SWSW

Date Drilling Approved July 23, 1990
Date Drilling Commenced 10/1/90
Date Drilling Ceased 10/21/90
Date Completed For Production _____
Date Abandonment Approved (Final) 9/22/93

Well Elevation 8294 Feet
Total Depth _____ Feet
Initial Production _____
Gravity A.P.I. _____
Initial Reservoir Pressure _____

GEOLOGIC FORMATIONS

PRODUCTIVE HORIZONS

SURFACE

LOWEST TESTED

NAME

DEPTHS

CONTENTS

SURFACE MANAGEMENT AGENCY BLM

MINERAL OWNERSHIP Federal

LEASE EXPIRATION 11/01/94

WELL STATUS

YEAR	JAN.	FEB.	MARCH	APRIL	MAY	JUNE	JULY	AUG.	SEPT.	OCT.	NOV.	DEC.
<u>1990</u>										<u>Spud</u>		
<u>1993</u>									<u>P+A</u>			

First Production Memorandum _____ Lease Extension Memorandum _____

Remarks _____

OCT 22 1993

DIVISION OF
OIL, GAS & MINING

ROUTING AND TRANSMITTAL SLIP

Date

TO: (Name, office symbol, room number,
building, Agency/Post)

Initials

Date

1.

Debra Etchel

2.

3.

43-047.31894

4.

5.

Action

File

Note and Return

Approval

For Clearance

Per Conversation

As Requested

For Correction

Prepare Reply

Circulate

For Your Information

See Me

Comment

Investigate

Signature

Coordination

Justify

REMARKS

*I think this is the well
you wanted. Note the
Lease No. is UTU-65736
instead of UTU-21573.*

DO NOT use this form as a RECORD of approvals, concurrences, disposals,
clearances, and similar actions

FROM: (Name, org. symbol, Agency/Post)

Room No.—Bldg.

Phone No.

5041-102

☆ U.S.G.P.O.: 1992 312-070/60004

OPTIONAL FORM 41 (Rev. 7-76)
Prescribed by GSA
FPMR (41 CFR) 101-11.206

OCT 18 1993

3162.34
UT08438

Mitchell Energy Corp.
Box 4000
Woodlands, Texas 77387-4000

Re: Bitter Creek Unit #1-25-14-25
SWSW, Sec. 25, T14S, R25E
Uintah County, Utah
Lease No. U-65736

Gentlemen:

The above referenced well was plugged and abandoned on October 25, 1990. Subsequent field examinations on September 22, 1993, have been conducted by personnel from this office. It was determined that the surface rehabilitation has been satisfactorily completed.

Final abandonment of the well and well site has been approved.

If you have any other questions concerning this matter, please contact Byron Tolman at (801) 781-4482.

Sincerely,

|s| HOWARD B. CLEAVINGER II

Howard B. Cleavinger II
Assistant District Manager for
Minerals

PSutton:las:October 14, 1993

bcc: Central file
Reading file
Well file
BCRA

RECEIVED

NOV 22 1993

DIVISION OF
OIL, GAS & MINING

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

SUBMIT IN DUPLICATE*

(See other In-
structions on
reverse side)

Form approved.
Budget Bureau No. 1004-0137
Expires August 31, 1985

WELL COMPLETION OR RECOMPLETION REPORT AND LOG *

1a. TYPE OF WELL: OIL WELL ☐ GAS WELL ☐ DRY ☒ Other _____

b. TYPE OF COMPLETION: NEW WELL ☐ WORK OVER ☐ DEEP-EN ☐ PLUG BACK ☐ DIFF. ENVR. ☒ Other P & A

2. NAME OF OPERATOR

Mitchell Energy Corporation

3. ADDRESS OF OPERATOR

555 217 Street, Ste. 3500, Denver CO 80202

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirements)*

At surface

922' FWL & 805' FSL (SWSW)

At top prod. interval reported below

At total depth

RECEIVED

OCT 05 1992

14. PERMIT NO. DATE ISSUED

43-047-31894

5. LEASE DESIGNATION AND SERIAL NO.

UTU 65736

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

NA

7. UNIT AGREEMENT NAME

Bitter Creek Unit

8. FARM OR LEASE NAME

Bitter Creek Unit

9. WELL NO.

1-25-14-25

10. FIELD AND POOL, OR WILDCAT

Wildcat

11. SEC., T., R., M., OR BLOCK AND SURVEY OR AREA

Sec. 25, T14S, R25E, SLB8

12. COUNTY OR PARISH

Utah

13. STATE

Utah

15. DATE SPUDDED

10/1/90

16. DATE T.D. REACHED

10/21/90

17. DATE COMPL. (Ready to prod.)

10-25-90 PA

18. ELEVATIONS (DF, RKB, RT, GR, ETC.)*

8293' GL

19. ELEV. CASINGHEAD

20. TOTAL DEPTH, MD & TVD

7865'

21. PLUG, BACK T.D., MD & TVD

22. IF MULTIPLE COMPL., HOW MANY*

23. INTERVALS DRILLED BY

ROTARY TOOLS

CABLE TOOLS

24. PRODUCING INTERVAL(S). OF THIS COMPLETION—TOP, BOTTOM, NAME (MD AND TVD)*

25. WAS DIRECTIONAL SURVEY MADE

26. TYPE ELECTRIC AND OTHER LOGS RUN

DL/SDL/SDL/DSN/GR 12-3-90

27. WAS WELL CORED

28. CASING RECORD (Report all strings set in well)

CASING SIZE	WEIGHT, LB./FT.	DEPTH SET (MD)	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
8 5/8"	24#	821'	12 1/4"	Cmt'd w/575 sx premium + 2% CaCl ₂ + 1/4#/sx FC	

29. LINER RECORD

SIZE	TOP (MD)	BOTTOM (MD)	SACKS CEMENT*	SCREEN (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)

30. TUBING RECORD

31. PERFORATION RECORD (Interval, size and number)

32. ACID, SHOT, FRACTURE, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL (MD)	AMOUNT AND KIND OF MATERIAL USED

33.* PRODUCTION

DATE FIRST PRODUCTION		PRODUCTION METHOD (Flowing, gas lift, pumping—size and type of pump)				WELL STATUS (Producing or shut-in)		
DATE OF TEST		HOURS TESTED	CHOKE SIZE	PROD'N. FOR TEST PERIOD	OIL—BBL.	GAS—MCF.	WATER—BBL.	GAS-OIL RATIO
FLOW. TUBING PRESS.		CASING PRESSURE	CALCULATED 24-HOUR RATE	OIL—BBL.	GAS—MCF.	WATER—BBL.	OIL GRAVITY-API (CORR.)	

34. DISPOSITION OF GAS (Sold, used for fuel, vented, etc.)

TEST WITNESSED BY

35. LIST OF ATTACHMENTS

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records

SIGNED

George W. Tuller

TITLE

District Drilling Manager

DATE

11/01/90

*(See Instructions and Spaces for Additional Data on Reverse Side)

SURFACE REHABILITATION INSPECTION
Automated Inspection Records System
Well Processing Screen

=====

Lease No: UTU 65736

Operator: MITCHELL ENERGY CORP.

Well Number: 1-25-14-25

SW / SW, Section 25, T 14S, R 25E

Inspector: HARRY BARBER

Date Inspected: 22 SEPT 93

Travel 2.0 Inspection .5 Office .5

=====

Remarks: THE "REHAB" WORK LOOKS GOOD. TWO
SPECIES MAKE UP ~95% OF VEG: CRESTED WHEAT,
ALFALFA. ELK, DEER AND CATTLE HAVE BEEN HITTING
THE AREA HARD. COULD USE SOME TYPE OF BARRIER
KEEPING VEHICLES OUT. PLUG HAS WRONG DESCRIPTION
FOR LEGAL = SWSW SEC 25 T14S R25E.

=====

AIRS _____

Date 10/13/93